

sidiary silver coinage. The system of Brazil and the Argentine was adopted, of issuing paper upon deposits of gold at the legal rate of 18 pence.

Chile did not fail to make considerable economic progress in spite of the regime of paper money. The incidents of this progress, however, were such as usually mark a period of inflation and over-speculation. During the six years ending with 1906, joint-stock companies were organized to the number of 438, with subscribed capital of 151,949,296 piasters, and of these more than 84 per cent, were organized in the last three years of the period.¹ The banks, deprived of their circulation by the flood of government paper, nevertheless showed assets on December 31, 1907, amounting to 811,363,263 piasters. Capital amounted to 124,040,525 and deposits to 415,205,924 piasters.³

Banking in Uruguay.

Uruguay has remained for many years upon the gold basis, with the peso as the unit, worth \$1.034 ^m United States gold. An old issue of government paper money was withdrawn in 1892, and the country was for a time under the regime of free banking. Neither this system nor the various efforts to establish government banks were entirely successful down to the latter part of the nineteenth century, but conditions during the past decade have been more favorable.

The law of March 23, 1865, prescribed uniform rules for the government of banks of issue. One of these rules fixed the circulation at three times the capital, but this was restricted in 1870 to twice the capital actually paid up.⁸ The private banks in 1893 renounced the right of circulation, and it was decided to authorize no additional banks of issue. This decision was due to the failure of the National Bank, which went out of active existence in 1893. ^ was

¹ Report of A. A. Winslow, *U. S. Consular Reports*, October n, 1907, 17.

³ *Bulletin of the Comptroller of the Currency*, June 22, 1908, 10. ³ L6vy, 281.